

Americans Hold Conference in Mexico on Trade Concluded from page 8

ties, is a great creditor nation with bankrupt or nearly bankrupt customers, a most unenviable condition, he asserted. He declared for an international banking arrangement, a standardized, international currency, and at the conclusion of his address, and of the convention, the conference went on record as indorsing the proposals made by him.

Because of the unique stand he has taken in respect to the world money situation and because of the radical changes he proposes, I consider it of interest to all, and for that reason, am quoting at considerable length from the address as given to the conference.

"Banks are the arteries of commerce through which flow the lifeblood of industry. If the blood is ill, disease and death follow. If commerce is unhealthy, financial paralysis is bound to result," said Mr. Arnold.

"In 1914, prior to the outbreak of the great world war, it was estimated that national securities were internationally held to the extent of approximately forty per cent. That is to say, American securities were held by foreigners, and foreign securities were held by people outside of the country in which same originated, in all to the extent of approximately forty per cent of the total. Some optimistic students of economics were of the opinion that this condition of things served as a guaranty against wars. They however overlooked the element of the complexion of this international finance. The conditions prior to the war were that England had invested in foreign securities approximately eighteen billions of dollars, Germany six billions, France five billions, and so on. The United States, on the other hand, occupied a negative position. That is to say, we were a debtor nation to the extent of approximately seven billions of dollars.

"It does not matter what our individual views are with regard to the causes underlying the late war; that fact remains that practically all wars are caused by the clashing of economic forces. In the struggle England was not forging ahead very rapidly while Germany was gaining on her from year to year."

Mr. Arnold then went on to explain that as a result of war England has had to give up a great deal of her foreign holdings and insofar as we know both Germany and France are practically cleaned out. Our position was produced by unnatural causes, and must

be looked upon as abnormal in the extreme and, to quote Mr. Arnold, "in my opinion it is more dangerous under such conditions to be a creditor than a debtor nation."

"We are today," he continued, "in the position of a creditor who has largely bankrupt customers to deal with. Now that usually calls for a meeting to consider such conditions. The statement of the debtors should be received and analyzed. Time must be given if the debt is to be reduced. Also, new credit must be extended. That is what the world should do today. The leaders of banking and commerce throughout the world should meet to study the resources and abilities of all nations and there should be worked out a plan under which time is given and if necessary obligations reduced."

Would Pool War Debts

"PERSONALLY, I have advocated the consolidation of the war debts of all the nations concerned, as well as the outstanding trade balances. Under such a scheme we would have an international obligation guaranteed by all the powers concerned but each nation would be called upon to assume her individual share under a taxing system which would be supervised by an international board or commission, I believe that even a reduction of outstanding obligations through cancellation would have a salutary effect. In addition I believe that our Federal Reserve system should be internationalized. Very few of our American bankers and business men have come as yet to realize or understand fully just what the purport of our system really is. The fact is that a centralized bank would in all probability have served the nation equally as well insofar as credit facilities are concerned. President Wilson, however, had in mind the elimination of New York, or Wall Street, as a factor which dominated American finance. On this account he developed the idea of having twelve regional institutions under which each serves a limited section of our country."

"Under an international scheme, the Federal Reserve Bank of the United States would serve our country, the Bank of England would serve England, the Bank of France, France, and the Reichsbank, the new Germany, and so on. This, in my judgment, would eliminate the possibility of financial imperialism, which

is, in effect, more subtle, and in some very important respects, more dangerous even than imperialistic diplomacy."

"Further, such an organization would make unnecessary the moving about of gold from country to country and could bring about the standardization of currency, and, incidentally, weights and measures as well. If such were done the fluctuations in exchange would be of a very moderate character."

"Unless something like this is done, and in the near future, it is my humble opinion that anarchy will rule the world. Such a relationship of co-operation as I have suggested, will prevent not only internal trouble but war itself."

In reading Mr. Arnold's statement the thought readily comes to mind that the "taxing system which would be supervised by an international board or commission" really ought to be embodied in the League of Nations.

So, too, does the thought come that should the Federal Reserve System be internationalized it could act as a fiscal agent of the League of Nations.

The conference during its sessions opened up for discussion many subjects, and there were special group meetings each evening at which those interested in particular subjects were enabled to bring about debates that aided in working out problems heretofore difficult of solution.

Included in the scope of the conference were the following subjects: Packing, billing and shipping of merchandise to Mexico; agencies in Mexico; banking facilities; agricultural machinery and the financing of its purchase; woolen and cotton goods, furnishings, clothing and kindred lines; banking, brokers and insurance; real estate, mining and petroleum, and so on.

As stated, the conference was the first of its kind; a number of Americans who otherwise would have known little more about Mexico than they already had in mind, found out first-hand what the Mexican people are like, what Mexican business men are like, what Mexican life really is. That much, and more, was accomplished. The meeting was not all probably that was desired from the point of numbers. No doubt there were many who planned to go who were persuaded not to come because of the "insecurity" and "danger" confronting the traveller and especially the American.

The "White" Orgy in Hungary—Breeding Another War Concluded from page 6

the presence of his widow, of his money and even his new boots.

In more than one case Catholic priests of the locality interceded in behalf of the Jews, but in vain. In one town the priest, Konyok by name, appeared on the public square where two Jews were about to be hanged. Clad in the surplice and holding the crucifix high, this noble priest swore to the innocence of the victims, but he was brutally jostled away and the hanging proceeded. In one instance at least the infuriated Whites murdered a priest who tried to interfere.

That the Transdanubian pogroms were not mere improvised outrages, but part of the White leaders' deliberate policy is proved by the fact that some of the White officers had been provided at Admiral Horthy's headquarters, before they set out on their Jew-hunting expeditions, with medical certificates testifying that the bearers were mentally defective and therefore unaccountable for their actions.

This precaution was taken with a view to possible protest on the part of the Allied missions. If—as in the case of the murdered millionaire Freund—the White command thought it advisable to pretend that the officer in question "exceeded his instructions," an order for his arrest was issued. It was just in such an emergency that the certificate of insanity came in handy.

While in the western provinces these crimes were being committed by the White Guards of Admiral Horthy (who, by the way, personally held aloof from the proceedings described above) in Budapest counter-revolution was progressing with no less vehemence, though with less actual slaughter. Here the lead was taken, immediately after the overthrow of Communism, by one Stephen Friedrich, an adventurer with a shadowy political past (he is said to have been, at one time or another, a Socialist, Communist and even an active Zionist) but with a great personal magnetism and indomitable will. Under the Rumanian occupation he attained the premiership, but was forced out, nominally at least, by the stand of Sir George Clerk, the representative of the Allied Supreme Council, who insisted on a "concentration cabinet" of all parties and under a leader with a cleaner record. So, about the time of the Rumanian withdrawal, Charles Huszar, a mem-

ber of the old Hungarian Parliament and a Catholic clerical politician of long standing though minus distinction, became premier. The actual power, however, remained in the hands of Friedrich who appointed himself Minister of War.

The following text of a poster, displayed in all the streets of Budapest, is quoted in the "New Europe" of London: "The Anti-Semitic League of Hungary desires to solve the Jewish question without compromise and without shirking the extremist measures in the most radical manner by a thorough disinfection. It is a vital question for the dishonored and mortally wounded nation to have no further dealings with this murderous race. In order that the desperate nation may not be forced into carrying on pogroms we demand that the government and the National Assembly should immediately carry into effect the object of our league, namely, a Hungary without Jews."

The real intent of the Hungarian White leaders in whipping up anti-Semitic passion in the masses is twofold. First, making the Jew the scapegoat has in Eastern Europe always proved an easily worked and very profitable political device. The Magyar peasant, largely dependent on the spiritual guidance of his priest, does not understand the complex reasons of Hungary's

present disastrous state; nor is it desirable from the Junker reactionary point of view that he should stop and investigate. It is much easier to tell him that the Jews are to blame for everything, that the Jews have sold out the country first under Karolyi to the Entente, then under Bela Kun to Lenin. The slogan, "Knock the Jew," is, especially in times of crisis, the short cut to political success in the European East. But this is not all; this is just the means toward an end. What the Horthy-Huszar-Friedrich reactionaries really are after is breaking the backbone of Hungarian democracy; and that backbone is the Magyarized Jewish middle class. This class has furnished largely the writers, artists, thinkers of liberal, progressive, modern Hungary. It stood for advancement and for Europe; the junkers stood, and stand, for retrogression and for Asia.

The ultimate purpose of Admiral Horthy, today in fact as well as in name dictator of Hungary, is to restore the Hungarian throne and the ancient boundaries of the Hungarian state. Every utterance of his and of the leaders backing him reeks with the spirit of militarism and revenge. The Treaty of Neuilly doubtless inflicts grave injustices on the Hungarian people; but these injustices should be remedied by the processes

of economic necessity and the principles of international conciliation, operating for a federation of Hungary and her neighbors. This path, the path of peace, would be chosen by a Hungary governed by liberals and democrats like Count Michael Karolyi and Oscar Jaszi. But these two men and their followers are today outlawed by the revived régime of Magyar junkerdom, and fugitives in foreign lands. The régime of Admiral Horthy has already declared for the path of militarism and conquest. In the hands of this régime the Treaty of Neuilly, nay, any obligation entered into with the victorious Entente, will be a mere scrap of paper. To date the only tangible result abroad of the Magyar Whites' foreign policy is the conclusion of a defensive and offensive alliance between Czechoslovakia and German-Austria, with Jugo-Slavia in the background eager to join. The next European war is being brewed today by the mad chauvinists and reactionaries in saddle at Budapest.

A Home for the Homeless in Vienna



Reports come that Vienna is tottering under the scourge of famine. This picture shows one of the wards in the Home for the Homeless. A close study of the picture will bring one to the realization of the terrible suffering, especially among the women and children of the city.

(C) G. S. N. Y.